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European Union

Trade Policy Monitoring

EU Critical of Second Harbinson Draft

2003

Approved by:

Norval Francis

U.S. Mission to the European Union, Brussels

Prepared by:

Christine Strossman

Report Highlights:

EU Agriculture Commissioner Fischler and Trade Commissioner Lamy were highly critical of the second draft WTO modalities paper

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
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On February 19th, EU Agriculture Commissioner Franz Fischler and Trade Commissioner Pascal Lamy were largely critical in their first reaction to the second Harbinson draft modalities paper. In a joint statement, they said "We fully appreciate Mr. Harbinson's efforts. But we do not see this draft as bringing the WTO Members closer. Harbinson 2 is largely identical to the first draft. Severe imbalances remain...We do hope that realism will also prevail over unrealistic expectations in Geneva. As Mr. Harbinson himself proposes, technical work on export credits, food aid, special safeguard for developing countries or non-trade concerns must now continue to maintain the dynamic process of the negotiations. We also believe that tariff preferences, crucial to many developing countries, and the rationale of the domestic support classification (the "boxes") have to be further examined. The EU remains fully committed to a substantial outcome of the negotiations on agriculture within the parameters of the Doha Declaration."

Consistent with the EU's efforts to court developing countries in the Doha Round, the two Commissioners stated that "The draft remains unbalanced against the weakest of the developing countries and in favour of the strongest exporters. In this context, a majority in the WTO, 74 members, have called on the Chair to adopt a Uruguay Round type formula for tariff cuts, instead of the Harbinson formula. We are also surprised to see that the special treatment for least developed countries, agreed in principle by the UN and the WTO and already implemented by the EU, is still expressed in terms of an option, and not as a binding commitment."

In an effort to deflect attention from the EU's disproportionately high levels of domestic support, Fischler and Lamy also made a thinly-veiled dig at the US farm bill and export credits and food aid with the following statement : "We find the draft unbalanced against those developed countries like the EU that have pursued an internal reform path and in favour of those who had increased trade-distorting support. We find in particular that the measures proposed for export competition left too many loopholes open for export credits and bogus food aid. And last but not least we find that the draft is not comprehensive as it does not include non-trade concerns nor a peace clause."

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